

Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.

(Stock Exchange Code: 6490)
May 31, 2019

To Shareholders with Voting Rights:

Kiyohisa Iwanami
President
NIPPON PILLAR PACKING CO., LTD.
1-7-1 Shinmachi, Nishi-ku, Osaka City

**NOTICE OF
THE 71TH ORDINARY GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

We would like to express our appreciation for your continued support and patronage.

You are cordially invited to attend the 71th Ordinary General Meeting of Shareholders of Nippon Pillar Packing Co., Ltd. (the “Company”). The meeting will be held for the purposes as described below.

If you are unable to attend the Meeting, you can exercise your voting rights in writing or through electromagnetic means (the Internet, etc.). Please review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights by 5:00 p.m. on Monday, June 24, 2019, Japan time.

- 1. Date and Time:** Tuesday, June 25, 2019 at 10:00 a.m. Japan time
(Reception is scheduled to open at 9:00 a.m.)
- 2. Place:** Conference room on the 4th floor at the Company's head office located at
1-7-1 Shinmachi, Nishi-ku, Osaka City
- 3. Agenda:**
 - Matters to be reported:**
 1. Business Report and report on Consolidated Financial Statements and Non-consolidated Financial Statements for the 71th Fiscal Year (from April 1, 2018 to March 31, 2019)
 2. Report on results of audits of the Consolidated Financial Statements for the 71th Fiscal Year by the Accounting Auditor and the Audit and Supervisory Committee
 - Proposals to be resolved:**
 - Proposal 1:** Appropriation of Surplus
 - Proposal 2:** Election of Five (5) Directors (excluding Directors who are Audit and Supervisory Committee Members)
 - Proposal 3:** Election of Three (3) Directors who are Audit and Supervisory Committee Members

* When attending the Meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.

* The following materials are posted on the Company's website (<https://www.pillar.co.jp/>) pursuant to laws and regulations and Article 15 of the Company's Articles of Incorporation. Therefore, these materials are not attached to this convocation notice.

- (1) Notes to Consolidated Financial Statements
- (2) Notes to Non-consolidated Financial Statements

Please note that the Notes to Consolidated Financial Statements and the Notes to Non-consolidated Financial Statements posted on the Company's website, as well as respective statements attached to this convocation notice, constitute the Consolidated Financial Statements and the Non-consolidated Financial Statements audited by the Audit and Supervisory Committee and the Accounting Auditor.

- * Please be advised that if any matters to be stated in the Reference Documents for the General Meeting of Shareholders, the Business Report, Consolidated Financial Statements and/or Non-consolidated Financial Statements need to be revised, the revised versions will be posted on the Company's website (<https://www.pillar.co.jp/>).**

Precautions when Exercising Voting Rights via Internet

If shareholders wish to exercise voting rights via the Internet, please read the following information carefully and exercise your voting rights no later than 5:00 p.m. on Monday, June 24, 2019, Japan time. Please be advised that shareholders who attend the Meeting on the day do not need to send the Voting Rights Exercise Form by postal mail or exercise your voting rights via the Internet.

1. Voting Rights Exercise Website

- (1) Exercise of voting rights via the Internet is available only through the Voting Rights Exercise Website (<https://evote.tr.mufig.jp/>) designated by the Company which can be accessed via personal computer, smartphone or cellular phone.
(Please note that the website is not accessible from 2 a.m. to 5 a.m. every day.)
- (2) The Voting Rights Exercise Website may not be available via personal computer, smartphone or cellular phone, depending on the Internet user environment, services subscribed to or type of equipment used. Please contact the following Help Desk for details.

2. Method to exercise voting rights via the Internet

- (1) Please enter the “Login ID” and “Temporary Password” stated in the Voting Rights Exercise Form at the Voting Rights Exercise Website (<https://evote.tr.mufig.jp/>) and register your vote for or against the proposals in accordance with the guidance displayed therein.
- (2) Shareholders who exercise voting rights via the Internet will be requested to change the “Temporary Password” at the Voting Rights Exercise Website for the prevention of unauthorized access, etc., by third parties other than shareholders. We appreciate your kind understanding.

3. Expenses incurred upon accessing Voting Rights Exercise Website

Any expenses incurred upon accessing the Voting Rights Exercise Website, such as Internet connection service fees and communication charges, shall be borne by shareholders.

4. Treatment of voting rights exercised more than once

- (1) In the event that voting rights are exercised both by postal mail and via the Internet, the exercise via the Internet will be considered the valid exercise of voting rights.
- (2) In the event that voting rights are exercised more than once via the Internet, the last exercise of voting rights will be considered the valid exercise of voting rights.

For inquiries about the systems or relevant matters, please contact:

Stock Transfer Agency Department (Help Desk), Mitsubishi UFJ Trust and Banking Corporation

Telephone: 0120-173-027 (Operating hours: 9:00 a.m. to 9:00 p.m./Toll free)

<To institutional investors>

Institutional investors may use the Electronic Voting Rights Exercise Platform operated by ICJ, Inc. upon the exercise of voting rights if subscription for the use of the platform is made in advance.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of Surplus

The Company considers that returning profits to its shareholders is one of its major management priorities, and its basic policy is to endeavor to pay stable dividends on an ongoing basis and improve the level of dividends.

Based on the aforementioned policy, it is proposed that the year-end dividend for the 71th Fiscal Year be 25 yen per share, consisting of an ordinary dividend of 20 yen plus a special dividend of 5 yen per share, in consideration of the Company's operating results in the 71th Fiscal Year.

Matters concerning year-end dividend

- (1) Type of dividend property
Cash
- (2) Matters concerning allocation of dividend property to shareholders and total amount thereof
25 yen per share of the Company's common stock
Total amount; 611,181,125 yen
As an interim dividend of 20 yen per share has been paid, the annual dividend for the 71th Fiscal Year will be 45 yen per share.
- (3) Effective date of payment of dividend
June 26, 2019

Proposal 2: Election of Five (5) Directors (excluding Directors who are Audit and Supervisory Committee Members)

The terms of office of all six(6) Directors (excluding Directors who are Audit and Supervisory Committee Members) will expire at the conclusion of this Ordinary General Meeting of Shareholders. Accordingly, the election of five(5) Directors (excluding Directors who are Audit and Supervisory Committee Members) is proposed.

The Audit and Supervisory Committee has given its opinion on this Proposal to the effect that all candidates are competent.

The candidates for Directors (excluding Directors who are Audit and Supervisory Committee Members) are as follows:

No.	Name	Positions and responsibilities at the Company	Board of Directors attendance (FY2018)
1	Kiyohisa Iwanami Reappointment	Director, Representative Executive Officer and Chief Executive Officer CEO	100% 6/6
2	Yoshinobu Iwanami Reappointment	Director, Senior Executive Officer, and General Manager of Sales Headquarters	100% 6/6
3	Ikuo Hoshikawa Reappointment	Director, Senior Executive Officer, In charge of Engineering/Production Division, General Manager of Production Headquarters and General Manager of Sanda Factory	100% 6/6
4	Katsuhiko Shukunami Reappointment	Director, Managing Executive Officer, General Manager of Administration Headquarters, General Manager of Corporate Planning Dept. and General Manager of Security Export Control Dept.	100% 6/6
5	Yoshinori Suzuki New candidate External Independent	—	—

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
1	Kiyohisa Iwanami (December 14, 1948) <u>Reappointment</u>	August 1978 Joined the Company Director of the Company February 1985 Managing Director of the Company August 1987 Executive Vice President of the Company June 1989 President of the Company (to present) June 2007 President and Executive Officer of the Company (to present)	724,100
	[Reason for nomination as a candidate for Director] Mr. Kiyohisa Iwanami, who has been in charge of the management of the Group as President for many years, is renominated as a candidate for Director in consideration of his accomplishments in serving as the driving force of the Group as a whole by demonstrating his leadership, as well as his significant insight, achievements, capabilities and wealth of experience concerning management.		
2	Yoshinobu Iwanami (September 5, 1979) <u>Reappointment</u>	June 2010 Joined the Company Executive Officer of the Company June 2012 Director of the Company (to present) March 2013 Deputy General Manager, Production Headquarters of the Company March 2014 General Manager of Global Business Dept., Sales Headquarters of the Company June 2014 Managing Executive Officer of the Company June 2018 Senior Executive Officer of the Company (to present) General Manager of Sales Headquarters of the Company (to present) (Significant concurrent positions) Representative Director of Nippon Pillar Corporation of America Co., Ltd. Representative Director of Nippon Pillar Singapore Pte Ltd.	59,300
	[Reason for nomination as a candidate for Director] Mr. Yoshinobu Iwanami is renominated as a candidate for Director in consideration of his accomplishments and his high level of expertise in supervising the Company’s overseas expansion and promoting globalization in recent years by demonstrating strong leadership, in addition to driving the Group’s overall sales activities as General Manager of Sales Headquarters.		
3	Ikuo Hoshikawa (June 9, 1957) <u>Reappointment</u>	June 2010 Executive Officer of the Company June 2014 Managing Executive Officer of the Company March 2016 General Manager of Sanda Factory of the Company (to present) June 2016 Director of the Company (to present) In charge of Engineering/Production Division of the Company (to present) General Manager of Production Engineering Headquarters of the Company April 2018 General Manager of Production Headquarters of the Company (to present) June 2018 Senior Executive Officer of the Company (to present) (Significant concurrent positions) President of Suzhou Pillar Industry Co., Ltd. Representative Director of Nippon Pillar Corporation of Mexico	20,300
	[Reason for nomination as a candidate for Director] Mr. Ikuo Hoshikawa is renominated as a candidate for Director in consideration of his significant accomplishments in establishing an enhanced production framework in recent years by being in charge of Engineering/Production Division, in addition to improving productivity.		

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions		Number of shares of the Company held
4	Katsuhiko Shukunami (May 27, 1959) <div>Reappointment</div>	May 2014	Joined the Company	11,200
	June 2014	Director of the Company (to present) Executive Officer of the Company		
March 2015	General Manager of Corporate Planning Dept. of the Company (to present)			
June 2016	Managing Executive Officer of the Company (to present)			
March 2017	General Manager of Security Export Control Dept. of the Company (to present) General Manager of System Dept. of the Company			
June 2018	General Manager of Administration Headquarters (to present)			
[Reason for nomination as a candidate for Director] Mr. Katsuhiko Shukunami has demonstrated leadership in areas such as corporate planning, accounting & finance, general affairs and personnel as General Manager of Administration Headquarters. He is renominated as a candidate for Director in consideration of his substantial accomplishments and his wealth of knowledge based on past experience.				
5	Yoshinori Suzuki (April 27, 1952) <div>New candidate External Independent</div>	April 1975	Joined OMRON Tateisi Electronics Co. (current OMRON Corporation)	3,000
	June 2003	Executive Officer of OMRON Corporation		
June 2006	Managing Executive Officer of OMRON Corporation			
April 2013	Senior Managing Executive Officer of OMRON Corporation			
June 2013	Senior Managing Director and CFO of OMRON Corporation			
April 2014	Visiting Professor of Doshisha Business School, Doshisha University (to present)			
June 2014	Representative Director, Vice President and CFO of OMRON Corporation			
June 2018	Outside Director of SENQCIA CORPORATION (to present)			
(Significant concurrent positions) Visiting Professor of Doshisha Business School, Doshisha University Outside Director of SENQCIA CORPORATION				
[Reason for nomination as a candidate for External Director] Mr. Yoshinori Suzuki is newly nominated as a candidate for External Director for his objective and useful opinions backed by his wealth of knowledge and experience as well as his broad insight as a management executive of business corporations which he has gained throughout his career.				

(Notes)

1. There is no special interest between any candidate for Director and the Company.
2. Mr. Yoshinori Suzuki is a candidate for External Director.
3. Pursuant to Article 427, paragraph 1 of the Companies Act, the Company plans to conclude an agreement with Mr. Yoshinori Suzuki to limit his liability for damages under Article 423, paragraph 1 of the said Act. The amount of liability for damages under the said agreement is limited to the amount prescribed by laws and regulations. The Company plans to designate Mr. Yoshinori Suzuki as an independent director pursuant to the provisions of the Tokyo Stock Exchange, Inc. (TSE).

Proposal 3: Election of Three (3) Directors who are Audit and Supervisory Committee Members

The terms of office of all three(3) Directors who are Audit and Supervisory Committee Members will expire at the conclusion of this Ordinary General Meeting of Shareholders. Accordingly, the election of three(3) Directors who are Audit and Supervisory Committee Members is proposed.

The Audit and Supervisory Committee's consent has been obtained for this Proposal.

No opinions were expressed by Directors who are Audit and Supervisory Committee Members as a result of examining this Proposal.

The candidates for Directors who are Audit and Supervisory Committee Member are as follows:

No.	Name	Positions and responsibilities at the Company	Board of Directors attendance (FY2018)	Audit and Supervisory Committee attendance (FY2018)
1	Kazuhiro Maruoka Reappointment	Director and Full-time Audit and Supervisory Committee Member	100% 5/5	100% 7/7
2	Eiichi Mori Reappointment External Independent	Director and Audit and Supervisory Committee Member	100% 6/6	100% 11/11
3	Kazumitsu Takaya New candidate External Independent	—	—	—

(Note) The attendance of meetings by Mr. Kazuhiro Maruoka includes those held after his appointment as a Director who is an Audit and Supervisory Committee Member on June 26, 2018.

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
1	Kazuhiro Maruoka (January 12, 1958) Reappointment	July 2009 Joined the Company March 2011 General Manager, Accounting & Financial Dept. of the Company June 2018 Director [Full-time Audit and Supervisory Committee Member] of the Company (to present)	2,200
[Reason for nomination as a candidate for Director who is an Audit and Supervisory Committee Member] Mr. Kazuhiro Maruoka is renominated as a candidate for Director who is an Audit and Supervisory Committee Member in consideration of his wealth of knowledge and experience in accounting in general, his strengths in financial aspects, and his ability to properly fulfill duties as Director who is an Audit and Supervisory Committee Member.			

2	Eiichi Mori (February 23, 1957) Reappointment External Independent	April 1982 Registered as attorney at law April 2007 Joined Irokawa Law Office, Partner of Irokawa Law Office (to present) February 2010 Auditor of the Company (temporary Auditor) June 2010 Auditor of the Company June 2017 External Director [Audit and Supervisory Committee Member] of the Company (to present) (Significant concurrent positions) External Audit & Supervisory Board Member of Sumitomo Precision Products Co., Ltd.	—
[Attendance at the Board of Directors meetings held in FY2018: 100%] [Attendance at the Audit and Supervisory Committee meetings held in FY2018: 100%] [Reason for nomination as a candidate for External Director who is an Audit and Supervisory Committee Member] Mr. Eiichi Mori, who is qualified as an attorney at law, is well-versed in corporate legal affairs as a legal expert; he is renominated as a candidate for External Director who is an Audit and Supervisory Committee Member for his abundant insight and broad experience in corporate governance to be utilized in audits. He is deemed capable of properly fulfilling duties as External Director who is an Audit and Supervisory Committee Member given his aforementioned business experience, among other factors. He will have served as External Director who is an Audit and Supervisory Committee Member of the Company for 2 years at the conclusion of this General Meeting of Shareholders.			

No.	Name Date of birth	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
3	Kazumitsu Takaya (December 1, 1958) <div style="border: 1px solid black; padding: 2px; display: inline-block;">New candidate</div> <div style="border: 1px solid black; padding: 2px; display: inline-block;">External</div> <div style="border: 1px solid black; padding: 2px; display: inline-block;">Independent</div>	March 1989 Registered as certified public accountant August 1992 Registered as certified public tax accountant March 2004 Opened Takaya CPA Office December 2004 Representative Partner of Nexus Audit Corporation (to present) (Significant concurrent positions) External Director (Audit & Supervisory Committee Member) of HIRANO TECSEED Co., Ltd.	—
[Reason for nomination as a candidate for External Director who is an Audit and Supervisory Committee Member] Mr. Kazumitsu Takaya, who is well-versed in finance and accounting as a certified public accountant, is nominated as a candidate for External Director who is Audit and Supervisory Committee Member for his expert knowledge and broad experience to be utilized in audits. He is deemed capable of properly fulfilling duties as External Director who is an Audit and Supervisory Committee Member given his aforementioned business experience, among other factors.			

(Notes)

- There is no special interest between any candidate for Director and the Company.
- Mr. Eiichi Mori and Mr. Kazumitsu Takaya are candidates for External Directors who are Audit and Supervisory Committee Members.
- In case the candidates for External Director held positions as director, executive officer or auditor at other entities in the past five years, facts of incidents at such entities during their term of office of violations of laws, regulations or the articles of incorporations of such entities and other misconduct in business execution, are as follows:
Mr. Eiichi Mori serves as an External Audit & Supervisory Board Member of Sumitomo Precision Products Co., Ltd. ("SPP"). In January 2019, a fact was discovered to the effect that SPP overstated expenses on defense equipment contracts with the Ministry of Defense of Japan. Details are currently under investigation by an independent Special Committee established by SPP comprising third-party experts. Mr. Eiichi Mori had consistently called for attention at the Board of Directors meetings, etc. from the standpoint of compliance, and after the discovery, he is suggesting that SPP thoroughly investigate the cause and take measures to further enhance the compliance system to prevent recurrence.
- Pursuant to Article 427, paragraph 1 of the Companies Act, the Company has concluded an agreement with Mr. Eiichi Mori to limit his liability for damages under Article 423, paragraph 1 of the said Act. The amount of liability for damages under the said agreement is limited to the amount prescribed by laws and regulations. The Company plans to continue the said agreement if his election in this Proposal is approved. The Company plans to conclude the agreement equivalent thereto with Mr. Kazumitsu Takaya if his election in this Proposal is approved.
- The Company has designated Mr. Eiichi Mori as an independent director pursuant to the provisions of the Tokyo Stock Exchange, Inc. TSE and has notified TSE to that effect.
- The Company plans to designate Mr. Kazumitsu Takaya as an independent director pursuant to the provisions of the Tokyo Stock Exchange, Inc TSE, if his election in this Proposal is approved.

[End of Document]

<Reference> “Independence Standards for Independent External Directors” of the Company

In keeping with the Corporate Governance Code (Principle 4-9) and the independence criteria provided by financial instruments exchanges, the Company formulated the “Independence Standards for Independent External Directors” upon approval by the Board of Directors with the consent of the Audit & Supervisory Committee in order to clarify the standards for securing the independence of independent external directors.

The Company determines that its External Directors or candidates for External Directors have sufficient independence if they are deemed to satisfy all the requirements in the items below upon the Company’s investigation within a reasonable and feasible extent.

1. The entity is currently not an executive of the Company or its affiliates (collectively, the “Group”) nor has ever been in the past
2. As for External Directors who are Audit & Supervisory Committee Members, the entity has never been a non-executive director or an accounting advisor (in case the accounting advisor is a corporation, a partner executing its duties) of the Group
3. The entity does not fall under any of the following items during the past three years
 - (1) The entity is not a relative within the second degree of kinship with accounting advisors, corporate officers, executive officers or managers, or any other significant employees (collectively, the “Director, etc.”) of the Group
 - (2) The entity is not a major shareholder of the Company (a shareholder with 10% or more direct or indirect holding of voting rights), the Director, etc. thereof, or the Director, etc. of a company of which the Group is a major shareholder
 - (3) The entity is not the Director, etc. of the Group’s major trading partner (a company with which payments made or received for transactions with the Group substantially account for 2% or more of consolidated net sales of the Group or the trading partner’s group)
 - (4) The entity has not received donations of 10 million yen or more from the Group in the relevant fiscal year
 - (5) The entity is not an attorney at law, certified public accountant or provider of specialized services such as consulting, etc. that received 10 million yen or more in compensation from the Group, other than compensation as a Director/Auditor in the relevant fiscal year
 - (6) There are no interlocking external directorship between the Group and the company where the entity serves as Director, etc.

[End of Document]